



Reprinted
January 29, 2016

SENATE BILL No. 321

DIGEST OF SB 321 (Updated January 28, 2016 2:39 pm - DI 73)

Citations Affected: IC 6-1.1; IC 6-3.6; IC 12-29; IC 36-1.5; IC 36-7.

Synopsis: Local government budgeting. Provides that for each budget year after 2018, the department of local government finance (DLGF) shall certify a political subdivision's budget, tax rate, and tax levy not later than: (1) December 31 of the year preceding the budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal; or (2) January 15 of the budget year, if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal. (Under current law, these certifications must be completed not later than February 15 of the budget year.) Retains the November 1 deadline for a political subdivision to adopt a budget for the following year. Specifies that after 2017, the county auditor shall provide before June 1 an initial estimate of assessed valuations to political subdivisions within the county. For calendar years after 2017, changes: (1) the date by which a county assessor must provide the county auditor with assessed values; (2) the date by which a county must submit the coefficient of dispersion study and property sales assessment ratio study to the DLGF; (3) the date by which a political subdivision must submit a proposal to establish a cumulative fund to the DLGF; (4) the date by which the budget agency must provide to the DLGF and county auditors an estimate of each county's local income tax distributions for the following year; and (5) the date by which the

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Effective: Upon passage; July 1, 2016.

Miller Pete, Grooms, Buck

January 7, 2016, read first time and referred to Committee on Tax & Fiscal Policy.
January 21, 2016, amended, reported favorably — Do Pass.
January 28, 2016, read second time, amended, ordered engrossed.

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DLGF must estimate each taxing unit's distribution of local income tax for the following year. Changes other deadlines in the local budgeting process in order to conform to the December 15 deadline for DLGF certification of budgets, tax rates, and tax levies. Provides that the DLGF shall before July 15 of each year provide taxing units with an estimate of the maximum property tax levies that will apply for the ensuing calendar year. Provides that the DLGF must before August 1 of each year provide to each taxing unit an estimate of the amount by which the taxing unit's distribution of property taxes may be reduced by circuit breaker credits in the ensuing year. Provides that for a fund of a political subdivision subject to the levy limits, the DLGF shall calculate and certify the allowable budget of the fund if the political subdivision adopts a tax levy that exceeds the estimated maximum levy limits as provided by the DLGF. Specifies that for a fund subject to levy limits and for which the political subdivision adopts a tax levy that is not more than the levy limits, the DLGF shall review the fund to ensure the adopted budget is fundable based on the unit's adopted tax levy and estimates of available revenues. Requires the budget agency to provide the assessed value growth quotient for the ensuing year to civil taxing units, school corporations, and the DLGF before July 1 of each year. Requires the DLGF to provide to political subdivisions: (1) the maximum property tax rate that may be imposed by the political subdivision for each cumulative fund or other fund for which a maximum rate is established; and (2) the property tax rates that must be imposed by the political subdivision in the following year for debt service. Requires the DLGF to update the estimate before August 1. Provides that in formulating a political subdivision's estimated budget, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimates by the department of local government finance of: (1) the amount by which the political subdivision's distribution of property taxes will be reduced by circuit breaker credits; and (2) the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year. Repeals the statutes concerning county fiscal body nonbinding review of local budgets, tax levies, and tax rates and the nonbinding review pilot project. Requires the county fiscal body to review the following at a public meeting: (1) The estimated levy limits provided by the DLGF. (2) The estimated circuit breaker credit impact on taxing units. Provides that after this meeting is held, the county fiscal body may prepare and distribute a written recommendation for taxing units in the county. For property taxes first due and payable after December 31, 2016, provides that the maximum appropriations for a community intellectual disability and other developmental disabilities center is equal to the maximum allowable appropriation by the county for the preceding year multiplied by the assessed value growth quotient. Specifies that a county shall fund the operation of community mental health centers (unless a lower tax levy amount will be adequate to fulfill the county's financial obligations, as provided under current law) in an amount equal to: (1) the maximum amount that was the could have been levied in the county in preceding year (using the amount calculated under for this purpose in 2004 as the base amount); multiplied by (2) the county's assessed value growth quotient. Requires the DLGF to provide to counties before July 15 of each year an estimate of the maximum appropriation amount for the ensuing year. Provides that for purposes of determining the property tax levy limits, a county's or municipality tax levy excludes all the taxes imposed for a county or municipal cumulative capital development fund. Requires the DLGF to provide annually to each county and municipality an estimate of: (1) the maximum tax rate that the county, city, or town may impose for a cumulative capital development fund; and (2) the maximum amount of property taxes imposed for community

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Digest Continued

mental health centers or community intellectual disability and other developmental disabilities centers that are exempt from the levy limits for the ensuing year. Requires the DLGF to make a one time permanent adjustment to the levy limits equal to the amount of property taxes imposed on personal property of banks that became subject to assessment in 1989 (this amount is currently excluded under a separate statute). Repeals the statute providing that property taxes imposed by a county or municipality to pay supplemental juror fees (above the required amount) are exempt from the levy limits. Changes the date (from July 1 to June 15 of each year) by which a redevelopment commission must determine the amount, if any, of excess assessed value that may be allocated to the respective taxing units.



Reprinted
January 29, 2016

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 321

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-2-10, AS ADDED BY P.L.220-2011,
2 SECTION 118, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) Any action taken by the
4 department of local government finance before November 21, 2007, to
5 do any of the following with respect to property taxes first due and
6 payable in 2007 in any county is legalized and validated:
7 (1) Halt billing and collection.
8 (2) Invalidate the certification under ~~IC 6-1.1-17-16(f)~~
9 **IC 6-1.1-17-16(i)** of the department's actions concerning budgets,
10 rates, and levies.
11 (3) Revise and reissue certifications referred to in subdivision (2).
12 (4) Require the preparation and delivery under IC 6-1.1-22-5 of
13 an abstract that is based on the assessed values determined in a
14 reassessment:
15 (A) performed by; or

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1 (B) ordered by;
 2 the department of local government finance under IC 6-1.1-4 or
 3 IC 6-1.1-14.
 4 (5) Allow payments of installments on dates and in amounts
 5 different from the dates and amounts that applied in an earlier
 6 issuance of tax statements by the county.
 7 (6) Allow the issuance of reconciling property tax statements to
 8 reconcile the payment of different amounts referred to in
 9 subdivision (5) as compared to the amounts finally determined to
 10 be due and payable.
 11 (7) Waive all or part of a penalty under IC 6-1.1-37-10.
 12 (b) The department of local government finance may take any action
 13 listed in subsection (a) on or after November 21, 2007, with respect to
 14 property taxes first due and payable in 2007 in any county.
 15 (c) Any action taken before November 21, 2007, by a unit of local
 16 government or a public official on behalf of a unit of local government
 17 that:
 18 (1) is in response to; and
 19 (2) is consistent with;
 20 an action of the department of local government finance referred to in
 21 subsection (a) is legalized and validated.
 22 (d) A unit of local government or a public official on behalf of a unit
 23 of local government may take any action on or after November 21,
 24 2007, that:
 25 (1) is in response to; and
 26 (2) is consistent with;
 27 an action of the department of local government finance referred to in
 28 subsection (a) or (b).
 29 SECTION 2. IC 6-1.1-4-4.6, AS AMENDED BY P.L.111-2014,
 30 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2016]: Sec. 4.6. (a) If a county assessor fails ~~before July 2 of~~
 32 ~~a particular year that ends before January 1, 2016, and before June 2~~
 33 **(for 2016 and 2017) or May 2 (for 2018 and thereafter)** of a
 34 particular year ~~that begins after December 31, 2015,~~ for which an
 35 adjustment to the assessed value of real property applies under section
 36 4.5 of this chapter to prepare and deliver to the county auditor a
 37 complete detailed list of all of the real property listed for taxation in the
 38 county as required by IC 6-1.1-5-14 and at least one hundred eighty
 39 (180) days have elapsed after the deadline specified in IC 6-1.1-5-14
 40 for the county assessor to deliver the list, the department of local
 41 government finance may develop annual adjustment factors under this
 42 section for that year. In developing annual adjustment factors under this



section, the department of local government finance shall use data in its possession that is obtained from:

- (1) the county assessor; or
- (2) any of the sources listed in the rule, including county or state sales data, government studies, ratio studies, cost and depreciation tables, and other market analyses.

(b) Using the data described in subsection (a), the department of local government finance shall propose to establish annual adjustment factors for the affected tax districts for one (1) or more of the classes of real property. The proposal may provide for the equalization of annual adjustment factors in the affected township or county and in adjacent areas. The department of local government finance shall issue notice and provide opportunity for hearing in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final annual adjustment factors.

(c) The annual adjustment factors finally determined by the department of local government finance after the hearing required under subsection (b) apply to the annual adjustment of real property under section 4.5 of this chapter for:

- (1) the assessment date; and
- (2) the real property;

specified in the final determination of the department of local government finance.

SECTION 3. IC 6-1.1-5-14, AS AMENDED BY P.L.111-2014, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14. (a) Not later than:

- (1) May 15 in each calendar year ending before January 1, 2017;
~~and~~
- (2) May 1 in each calendar year ending after December 31, 2016,
and before January 1, 2018; and
- (3) April 1 in each calendar year ending after December 31, 2017;**

each township assessor in the county (if any) shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township.

(b) On or before:

- (1) July 1 of each calendar year ending before January 1, 2017;
~~and~~
- (2) June 1 in each calendar year ending after December 31, 2016,
and before January 1, 2018; and
- (3) May 1 in each calendar year ending after December 31, 2017;**



each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. The county assessor shall prepare the list in the form prescribed by the department of local government finance.

SECTION 4. IC 6-1.1-14-12, AS ADDED BY P.L.257-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) As part of the review under IC 6-1.1-33.5-3(4) and IC 6-1.1-33.5-3(5) of the coefficient of dispersion study and property sales assessment ratio study submitted by a county under 50 IAC 27-4-4, the department of local government finance shall conduct the review and analysis described in this section. **In 2017 and in each year thereafter, a county shall submit the coefficient of dispersion study and property sales assessment ratio study to the department not later than March 1 of the year.**

(b) The department shall:

(1) conduct its review and analysis for studies submitted in 2013 through 2017; and

(2) review and analyze only data and studies for property that is classified as improved residential property in townships having a population of more than one hundred thirty thousand (130,000).

(c) The department shall separate each township described in subsection (b) into four (4) comparable groups of parcels as determined by the department. The department shall:

(1) separately review and analyze for each group of parcels data used for the coefficient of dispersion study and the property sales assessment ratio study submitted by the county; and

(2) prepare a coefficient of dispersion study and a property sales assessment ratio study for each group of parcels.

SECTION 5. IC 6-1.1-17-0.5, AS AMENDED BY P.L.137-2012, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.5. (a) For purposes of this section, "net assessed value" means assessed value after the application of deductions, exemptions, and abatements.

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the net assessed value of tangible property that meets the following conditions:

(1) The net assessed value of the property is at least nine percent (9%) of the net assessed value of all tangible property subject to taxation by a taxing district.

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business



operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing district located in the county, the county auditor may reduce for a calendar year the taxing district's net assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing district for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing district's net assessed value under this subsection only to enable the taxing district to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from any or a combination of the following:

(1) Successful appeals of the assessed value of property located in the taxing district.

(2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that result from the granting of applications for the standard deduction for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after the county auditor certifies net assessed value as described in this section.

(3) Deductions that result from the granting of applications for deductions for the calendar year under IC 6-1.1-12-44 after the county auditor certifies net assessed value as described in this section.

(4) Reassessments of real property under IC 6-1.1-4-11.5.

Not later than ~~December~~ **July** 31 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and to the department of local government finance. The certified statement must list any adjustments to the amount of the reduction under this subsection and the information submitted under section 1 of this chapter that are necessary. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing district's net assessed value for a calendar year under subsection (d) may not exceed two percent (2%) of the net assessed value of tangible property subject to assessment in the taxing district in that calendar year.

(f) The amount of a reduction under subsection (d) may not be



1 offered in a proceeding before the:

- 2 (1) county property tax assessment board of appeals;
3 (2) Indiana board; or
4 (3) Indiana tax court;

5 as evidence that a particular parcel has been improperly assessed.

6 SECTION 6. IC 6-1.1-17-0.7 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2016]: **Sec. 0.7. (a) Before May 1 of each year**
9 **after 2017, the fiscal officer of each political subdivision shall**
10 **provide the department of local government finance with an**
11 **estimate of the total amount of the political subdivision's debt**
12 **service obligations (as defined in IC 6-1.1-20.6-9.8) that will be due**
13 **in the last six (6) months of the current year and in the ensuing**
14 **year.**

15 **(b) Before July 15 of each year after 2017, the department of**
16 **local government finance shall provide the following to each**
17 **political subdivision:**

18 **(1) An estimate of the maximum property tax rate that may**
19 **be imposed by the political subdivision for property taxes**
20 **payable in the ensuing year for each cumulative fund or other**
21 **fund for which a maximum property tax rate is established by**
22 **law.**

23 **(2) An estimate of the property tax rates that would be**
24 **imposed by the political subdivision for property taxes**
25 **payable in the ensuing year for debt service.**

26 **(c) The department of local government finance shall before**
27 **August 1 of each year after 2017 provide to each political**
28 **subdivision an estimate of the maximum amount of net property**
29 **tax revenue and miscellaneous revenue that the political**
30 **subdivision will receive in the ensuing year if the political**
31 **subdivision's property tax rates are imposed at the maximum**
32 **allowed under law and if the political subdivision imposes the**
33 **maximum permissible ad valorem property tax levy allowed under**
34 **law for the political subdivision. In making each of the estimates**
35 **under this subsection, the department of local government finance**
36 **shall consider the estimated amount of any credits that will be**
37 **granted under IC 6-1.1-20.6 against property taxes imposed by the**
38 **political subdivision.**

39 SECTION 7. IC 6-1.1-17-1, AS AMENDED BY P.L.137-2012,
40 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2016]: **Sec. 1. (a) On or before August 1 of each year, the**
42 **county auditor shall send a certified statement, under the seal of the**



board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement must contain:

(1) information concerning the assessed valuation in the political subdivision for the next calendar year;

(2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;

(3) the current assessed valuation as shown on the abstract of charges;

(4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, adjusted according to procedures established by the department of local government finance to account for reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2;

(5) the amount of the political subdivision's net assessed valuation reduction determined under section 0.5(d) of this chapter;

(6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and

(7) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section ~~16(f)~~ **16(i)** of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:



(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance.

(e) Except as provided in subsection (f), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) The county auditor is not required to hold a public hearing under subsection (e) if:

(1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;

(2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or

(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

(g) Beginning in 2018, each county auditor shall submit to the department of local government finance parcel level data of certified net assessed values as required by the department. A county auditor shall submit the parcel level data in the manner and format required by the department and according to a schedule determined by the department.

SECTION 8. IC 6-1.1-17-3, AS AMENDED BY P.L.183-2014, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. **In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimate by the department of local government finance under IC 6-1.1-20.6-11.1 of the amount by which the political subdivision's distribution of property taxes will be reduced by**



credits under IC 6-1.1-20.6-9.5 in the ensuing year, and after taking into account the estimate by the department of local government finance under section 0.7 of this chapter of the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year. The political subdivision or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter, shall ~~(before January 1, 2015)~~ at least ten ~~(10)~~ days before the public hearing, give notice to taxpayers ~~of submit the following information to the department's computer gateway:~~

(1) The estimated budget.

(2) The estimated maximum permissible levy, **as provided by the department under IC 6-1.1-18.5-24.**

(3) The current and proposed tax levies of each fund.

(4) The amount by which the political subdivision's distribution of property taxes may be reduced by credits granted under IC 6-1.1-20.6, as estimated by the department of local government finance under IC 6-1.1-20.6-11. and

~~(4)~~ (5) The amounts of excessive levy appeals to be requested.

~~(6) The political subdivision or appropriate fiscal body shall also state the time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on these the items described in subdivisions (1) through (5).~~

The political subdivision or appropriate fiscal body shall ~~(before January 1, 2015)~~ publish the notice twice in accordance with IC 5-3-1 with the first publication at least ten ~~(10)~~ days before the date fixed for the public hearing. The first publication must be before September 14, and the second publication must be before September 21 of the year. The political subdivision shall pay for the publishing of the notice. The political subdivision **or appropriate fiscal body** shall submit this information to the department's computer gateway ~~before September 14 of each year and~~ at least ten ~~(10)~~ days before the public hearing required by this subsection in the manner prescribed by the department. The department shall make this information available to taxpayers, at least ten ~~(10)~~ days before the public hearing, through its computer gateway and provide a telephone number through which taxpayers may request mailed copies of a political subdivision's information under this subsection. The department's computer gateway must allow a taxpayer to search for the information under this subsection by the taxpayer's address. The department shall review only the submission to the department's computer gateway for compliance with this section.

~~(b) For taxes due and payable in 2015 and 2016, each county shall~~



publish a notice in accordance with IC 5-3-1 in two (2) newspapers published in the county stating the Internet address at which the information under subsection (a) is available and the telephone number through which taxpayers may request copies of a political subdivision's information under subsection (a). If only one (1) newspaper is published in the county, publication in that newspaper is sufficient. The department of local government finance shall prescribe the notice. Notice under this subsection shall be published before September 14. Counties may seek reimbursement from the political subdivisions within their legal boundaries for the cost of the notice required under this subsection. The actions under this subsection shall be completed in the manner prescribed by the department.

(c) (b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(d) (c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(e) (d) A political subdivision for which any of the information under subsection (a) is not (before January 1, 2015) published and is not submitted to the department's computer gateway in the manner prescribed by the department shall have its most recent annual appropriations and annual tax levy continued for the ensuing budget year.

(f) (e) If a political subdivision or appropriate fiscal body timely publishes (before January 1, 2015) and timely submits the information under subsection (a) but subsequently discovers the information contains a typographical an error, the political subdivision or appropriate fiscal body may request permission from the department to submit amended information to the department's computer gateway. and (before January 1, 2015) to publish the amended information. However, such a request submission of amended information must occur not later than seven (7) at least ten (10) days before the public hearing held under subsection (a). Acknowledgment of the correction of an error shall be posted on the department's computer gateway and



communicated by the political subdivision or appropriate fiscal body to the fiscal body of the county in which the political subdivision and appropriate fiscal body are located:

SECTION 9. IC 6-1.1-17-3.5 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 3-5: (a) This section does not apply to taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a taxing unit that has its proposed budget and proposed property tax levy approved under section 20 or 20.3 of this chapter or IC 36-3-6-9.

(b) This section applies to a taxing unit other than a county. Except as provided in section 3-7 of this chapter, if a taxing unit will impose property taxes due and payable in the ensuing calendar year, the taxing unit shall file the following information in the manner prescribed by the department of local government finance with the fiscal body of the county in which the taxing unit is located:

(1) A statement of the proposed or estimated tax rate and tax levy for the taxing unit for the ensuing budget year.

(2) In the case of a taxing unit other than a school corporation, a copy of the taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a taxing unit located in more than one (1) county, the taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the taxing unit's net assessed valuation is located.

(d) A taxing unit must file the information under subsection (b) before September 2 of a year.

(e) A county fiscal body shall complete the following in a manner prescribed by the department of local government finance before October 2 of a year:

(1) Review any proposed or estimated tax rate or tax levy filed by a taxing unit with the county fiscal body under this section.

(2) In the case of a taxing unit other than a school corporation, review any proposed or estimated budget filed by a taxing unit with the county fiscal body under this section.

(3) In the case of a taxing unit other than a school corporation, issue a nonbinding recommendation to a taxing unit regarding the taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in



1 nonfarm personal income for the county for the preceding six (6)
2 calendar years; and

3 (2) increases in the budgets and tax levies of other taxing units in
4 the county;

5 (g) The department of local government finance must provide each
6 county fiscal body with the most recent available information
7 concerning increases in Indiana nonfarm personal income and
8 increases in county nonfarm personal income;

9 (h) If a taxing unit fails to file the information required by
10 subsection (b) with the fiscal body of the county in which the taxing
11 unit is located by the time prescribed in subsection (d), the most recent
12 annual appropriations and annual tax levy of that taxing unit are
13 continued for the ensuing budget year;

14 (i) If a county fiscal body fails to complete the requirements of
15 subsection (e) before the deadline in subsection (e) for any taxing unit
16 subject to this section, the most recent annual appropriations and
17 annual tax levy of the county are continued for the ensuing budget year;

18 SECTION 10. IC 6-1.1-17-3.6 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2016]: Sec. 3.6. (a) At the first meeting of the
21 county fiscal body in August, the county fiscal body shall review
22 the following:

23 (1) The estimated levy limits provided by the department of
24 local government finance under IC 6-1.1-18.5-24.

25 (2) The estimate provided by the department of local
26 government finance under IC 6-1.1-20.6-11.1 of how each
27 taxing unit's distribution of property taxes will be reduced by
28 credits under IC 6-1.1-20.6.

29 (b) The county fiscal body may request that representatives
30 from the taxing units located within the county attend the meeting
31 described in subsection (a).

32 (c) The county fiscal body must allow a representative of a
33 taxing unit that attends the meeting described in subsection (a) to
34 comment on the taxing unit's proposed budgets, tax levies, and tax
35 rates for the ensuing calendar year.

36 (d) After the county fiscal body has held the meeting required
37 by this section, the county fiscal body may prepare and distribute
38 a written recommendation for taxing units in the county. If the
39 county fiscal body does not prepare a written recommendation, the
40 minutes of the meeting held under this section shall be distributed
41 by the county auditor to all taxing units in the county after the
42 minutes have been approved by the county fiscal body.



SECTION 11. IC 6-1.1-17-3.7 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 3-7: (a) This section authorizes a three (3) year pilot program to allow county fiscal bodies of designated counties to carry out a more thorough nonbinding review of the proposed budgets, property tax rates, and property tax levies of all taxing units in those counties. The general assembly finds that, because of the enactment of property tax credits under IC 6-1.1-20.6, there is an even greater need for taxing units to cooperate in the adoption of their budgets, property tax rates, and property tax levies.

(b) The department of local government finance may establish a pilot program concerning nonbinding review of budgets, property tax rates, and property tax levies as provided in this section. The role of the department of local government finance in the pilot program is to develop the framework for the continuation of a more thorough nonbinding review in all counties without the direct involvement of the department of local government finance.

(c) For a county to be eligible for designation as a pilot county participating in the pilot program:

(1) the county fiscal body must adopt a resolution approving the submission of an application to be designated as a pilot county; and

(2) the county fiscal body must submit to the department of local government finance before the date specified by the department:

(A) an application in the form and containing the information prescribed by the department; and

(B) a copy of the resolution adopted under subdivision (1).

(d) After reviewing applications submitted under subsection (c), the department of local government finance may designate not more than three (3) counties that submit an application under subsection (c) as pilot counties under this section. In determining which counties are designated as pilot counties, the department of local government finance shall attempt to achieve diversity among designated counties based on:

(1) the geographical location of the counties;

(2) the population of the counties; and

(3) whether the counties are primarily rural or urban.

(e) The department of local government finance shall notify each taxing unit in a pilot county of:

(1) the designation of the county as a pilot county; and

(2) the duties of the taxing unit under this section.

(f) The following apply in 2014 and thereafter:

(1) Each taxing unit in a pilot county shall, before September 2 of



each year, file with the department of local government finance and with the county fiscal body:

(A) the taxing unit's proposed budgets, property tax rates, and property tax levies for the following calendar year;

(B) a statement of whether:

(i) a petition and remonstrance process has been initiated under IC 6-1.1-20 concerning a controlled project of the taxing unit;

(ii) a public question under IC 6-1.1-20 concerning a controlled project of the taxing unit has been certified and will be on the election ballot;

(iii) a referendum tax levy question under IC 20-46-1 has been certified and will be on the election ballot; or

(iv) the taxing unit anticipates that it will during the following eighteen (18) months either adopt a resolution or ordinance under IC 6-1.1-20 making a preliminary determination to issue bonds or enter into a lease concerning a controlled project of the taxing unit, or adopt a resolution under IC 20-46-1 to place a referendum tax levy question on the election ballot; and

(C) any additional information required by the department to prepare the analysis required under subdivision (4):

A school corporation providing information to the department of local government finance shall provide the information through the department's interactive and searchable Internet web site containing local government information (the Indiana gateway for governmental units). When formulating the taxing unit's estimated budget, property tax rate, and property tax levy under section 3 of this chapter, the proper officers of the taxing unit shall consider the estimated consequences of the property tax credits under IC 6-1.1-20.6 on the property taxes that will be collected by the taxing unit and the calculation of fund balances.

(2) A taxing unit in a pilot county that would otherwise be required to submit its proposed budgets, property tax rates, and property tax levies for nonbinding review under section 3.5 of this chapter is not required to do so, but the taxing unit must instead submit the information required by subdivision (1) to the department of local government finance.

(3) A taxing unit that is located in a pilot county and that is subject to binding review and approval of the taxing unit's budgets, property tax rates, and property tax levies under section 20 of this chapter or IC 36-3-6-9:



- 1 (A) remains subject to binding review and approval under
- 2 those statutes and must submit the information required under
- 3 those statutes to the appropriate fiscal body; and
- 4 (B) must also submit the information required by subdivision
- 5 (1) to the department of local government finance.
- 6 (4) The department shall prepare an analysis of the proposed
- 7 budgets, property tax rates, and property tax levies submitted by
- 8 taxing units in each pilot county. The department of local
- 9 government finance may establish appropriate procedures and
- 10 conduct the appropriate analysis that meets the department's
- 11 requirements for the review of a unit's budget under this chapter.
- 12 The analysis prepared by the department must include at least the
- 13 following:
- 14 (A) The estimated total property tax rate for each taxing
- 15 district in the pilot county.
- 16 (B) The estimated total amount of property taxes to be levied
- 17 in the pilot county.
- 18 (C) The estimated consequences of the property tax credits
- 19 under IC 6-1.1-20.6 on:
- 20 (i) the property tax rates of each taxing unit and taxing
- 21 district in the pilot county;
- 22 (ii) the expected total tax rate of each taxing district in the
- 23 county; and
- 24 (iii) the property taxes that will be collected by each taxing
- 25 unit in the pilot county.
- 26 (5) The department of local government finance shall, before
- 27 October 2 of each year, provide the analysis prepared under
- 28 subdivision (4) for a pilot county to the county fiscal body of the
- 29 pilot county and to the fiscal body of each taxing unit in the pilot
- 30 county. Upon request by the county fiscal body, representatives
- 31 of the department of local government finance shall appear before
- 32 the county fiscal body to review the analysis.
- 33 (6) The county fiscal body of a pilot county shall, on or before
- 34 October 15 of each year:
- 35 (A) review the proposed budgets, property tax rates, and
- 36 property tax levies of each taxing unit in the pilot county;
- 37 (B) review the expected total tax rate of each taxing district in
- 38 the county; and
- 39 (C) issue a nonbinding recommendation to each taxing unit in
- 40 the pilot county regarding the taxing unit's proposed budgets,
- 41 property tax rates, and property tax levies.
- 42 The review and recommendation required to be carried out under



1 this subdivision may be carried out by the full county fiscal body
 2 or by a committee appointed by the county fiscal body for that
 3 purpose:

4 (7) A recommendation by a county fiscal body must include a
 5 comparison of any increase in a taxing unit's budgets; property tax
 6 rates; and property tax levies to:

7 (A) the average increase in Indiana nonfarm personal income
 8 for the preceding six (6) calendar years and the average
 9 increase in nonfarm personal income for the county for the
 10 preceding six (6) calendar years; and

11 (B) increases in the budgets; property tax rates; and property
 12 tax levies of other taxing units in the county.

13 (8) After review under this section; a taxing unit must adopt its
 14 budget; property tax rates; and property tax levies by the date
 15 required under section 5 of this chapter:

16 (g) The county fiscal body of a pilot county may, before July 1 of a
 17 year, adopt a resolution discontinuing the county's participation in the
 18 pilot program. If a county fiscal body adopts such a resolution:

19 (1) the county fiscal body shall certify a copy of the resolution to
 20 the department of local government finance;

21 (2) the county's participation in the pilot program is terminated;
 22 and

23 (3) the department of local government finance shall attempt to
 24 replace the pilot county with another county that has applied to be
 25 designated as a pilot county:

26 (h) The department of local government finance shall, before
 27 November 1, 2014, and each year thereafter, report to the interim study
 28 committee on fiscal policy established by IC 2-5-1.3-4 in an electronic
 29 format under IC 5-14-6 concerning the pilot program and whether the
 30 nonbinding review under the pilot program is fostering cooperation
 31 among taxing units in the adoption of their budgets; property tax rates;
 32 and property tax levies:

33 (i) This section expires January 1, 2017.

34 SECTION 12. IC 6-1.1-17-5.6, AS AMENDED BY P.L.233-2015,
 35 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2016]: Sec. 5.6. (a) Each school corporation may elect to
 37 adopt a budget under this section that applies from July 1 of the year
 38 through June 30 of the following year. In the initial budget adopted by
 39 a school corporation under this section, the first six (6) months of that
 40 initial budget must be consistent with the last six (6) months of the
 41 budget adopted by the school corporation for the calendar year in
 42 which the school corporation elects by resolution to begin adopting



1 budgets that correspond to the state fiscal year. A corporation shall
 2 submit a copy of the resolution to the department of local government
 3 finance and the department of education not more than thirty (30) days
 4 after the date the governing body adopts the resolution.

5 (b) Before April 1 of each year, the officers of the school
 6 corporation shall meet to fix the budget for the school corporation for
 7 the ensuing budget year, with notice given by the same officers.
 8 However, if a resolution adopted under subsection (d) is in effect, the
 9 officers shall meet to fix the budget for the ensuing budget year before
 10 November 1.

11 (c) Each year, at least two (2) days before the first meeting of the
 12 county board of tax adjustment held under IC 6-1.1-29-4, the school
 13 corporation shall file with the county auditor:

14 (1) a statement of the tax rate and tax levy fixed by the school
 15 corporation for the ensuing budget year;

16 (2) two (2) copies of the budget adopted by the school corporation
 17 for the ensuing budget year; and

18 (3) any written notification from the department of local
 19 government finance under section ~~16(i)~~ **16(l)** of this chapter that
 20 specifies a proposed revision, reduction, or increase in the budget
 21 adopted by the school corporation for the ensuing budget year.

22 Each year the county auditor shall present these items to the county
 23 board of tax adjustment at the board's first meeting under
 24 IC 6-1.1-29-4.

25 (d) The governing body of the school corporation may adopt a
 26 resolution to cease using a school year budget year and return to using
 27 a calendar year budget year. A resolution adopted under this subsection
 28 must be adopted after January 1 and before July 1. The school
 29 corporation's initial calendar year budget year following the adoption
 30 of a resolution under this subsection begins on January 1 of the year
 31 following the year the resolution is adopted. The first six (6) months of
 32 the initial calendar year budget for the school corporation must be
 33 consistent with the last six (6) months of the final school year budget
 34 fixed by the department of local government finance before the
 35 adoption of a resolution under this subsection.

36 (e) A resolution adopted under subsection (d) may be rescinded by
 37 a subsequent resolution adopted by the governing body. If the
 38 governing body of the school corporation rescinds a resolution adopted
 39 under subsection (d) and returns to a school year budget year, the
 40 school corporation's initial school year budget year begins on July 1
 41 following the adoption of the rescinding resolution and ends on June
 42 30 of the following year. The first six (6) months of the initial school



1 year budget for the school corporation must be consistent with the last
 2 six (6) months of the last calendar year budget fixed by the department
 3 of local government finance before the adoption of a rescinding
 4 resolution under this subsection.

5 SECTION 13. IC 6-1.1-17-16, AS AMENDED BY P.L.183-2014,
 6 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2016]: Sec. 16. (a) ~~Subject to the limitations and requirements~~
 8 ~~prescribed in this section, the department of local government finance~~
 9 ~~may revise, reduce, or increase a political subdivision's budget by fund,~~
 10 ~~tax rate, or tax levy which the department reviews under section 8 or~~
 11 ~~10 of this chapter. The department of local government finance shall~~
 12 **certify the tax rates and tax levies for all funds of political**
 13 **subdivisions subject to the department of local government**
 14 **finance's review.**

15 (b) Subject to the limitations and requirements prescribed in this
 16 section, the department of local government finance may review;
 17 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
 18 any of the political subdivisions whose tax rates compose the aggregate
 19 tax rate within a political subdivision whose budget, tax rate, or tax
 20 levy is the subject of an appeal initiated under this chapter.

21 (b) For a fund of a political subdivision subject to levy limits
 22 under IC 6-1.1-18.5-3, the department of local government finance
 23 shall calculate and certify the allowable budget of the fund if the
 24 political subdivision adopts a tax levy that exceeds the estimated
 25 maximum levy limits as provided by the department of local
 26 government finance under IC 6-1.1-18.5-24.

27 (c) For a fund of a political subdivision subject to levy limits
 28 under IC 6-1.1-18.5-3 and for which the political subdivision
 29 adopts a tax levy that is not more than the levy limits under
 30 IC 6-1.1-18.5-3, the department of local government finance shall
 31 review the fund to ensure the adopted budget is fundable based on
 32 the unit's adopted tax levy and estimates of available revenues. If
 33 the adopted budget is fundable, the department of local
 34 government finance shall use the adopted budget as the approved
 35 appropriation for the fund for the budget year. As needed, the
 36 political subdivision may complete the additional appropriation
 37 process through IC 6-1.1-18-5 for these funds during the budget
 38 year.

39 (d) For a fund of the political subdivision subject to levy limits
 40 under IC 6-1.1-18.5-3 and for which the political subdivision
 41 adopts a tax levy that is not more than the levy limits under
 42 IC 6-1.1-18.5-3, if the department of local government finance has



1 **determined the adopted budget is not fundable based on the unit's**
 2 **adopted tax levy and estimates of available revenues, the**
 3 **department of local government finance shall calculate and certify**
 4 **the allowable budget that is fundable based on the adopted tax levy**
 5 **and the department's estimates of available revenues.**

6 **(e) For all other funds of a political subdivision not described in**
 7 **subsections (b), (c), and (d), the department of local government**
 8 **finance shall certify a budget for the fund.**

9 ~~(e)~~ **(f)** Except as provided in section 16.1 of this chapter, the
 10 department of local government finance is not required to hold a public
 11 hearing before the department of local government finance reviews,
 12 revises, reduces, or increases a political subdivision's budget by fund,
 13 tax rate, or tax levy under this section.

14 ~~(d)~~ **(g)** Except as provided in subsection ~~(f)~~, **(l)**, IC 20-46, or
 15 IC 6-1.1-18.5, the department of local government finance may not
 16 increase a political subdivision's budget by fund, tax rate, or tax levy to
 17 an amount which exceeds the amount originally fixed by the political
 18 subdivision. However, if the department of local government finance
 19 determines that IC 5-3-1-2.3(b) (before its expiration) applies to the tax
 20 rate, tax levy, or budget of the political subdivision, the maximum
 21 amount by which the department may increase the tax rate, tax levy, or
 22 budget is the amount originally fixed by the political subdivision, and
 23 not the amount that was incorrectly published or omitted in the notice
 24 described in IC 5-3-1-2.3(b) (before its expiration). The department of
 25 local government finance shall give the political subdivision
 26 notification electronically in the manner prescribed by the department
 27 of local government finance specifying any revision, reduction, or
 28 increase the department proposes in a political subdivision's tax levy
 29 or tax rate. The political subdivision has ten (10) calendar days from
 30 the date the political subdivision receives the notice to provide a
 31 response electronically in the manner prescribed by the department of
 32 local government finance. The response may include budget
 33 reductions, reallocation of levies, a revision in the amount of
 34 miscellaneous revenues, and further review of any other item about
 35 which, in the view of the political subdivision, the department is in
 36 error. The department of local government finance shall consider the
 37 adjustments as specified in the political subdivision's response if the
 38 response is provided as required by this subsection and shall deliver a
 39 final decision to the political subdivision.

40 ~~(e)~~ **(h)** The department of local government finance may not
 41 approve a levy for lease payments by a city, town, county, library, or
 42 school corporation if the lease payments are payable to a building



corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

~~(f)~~ (i) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

~~(g)~~ (j) The following may petition for judicial review of the final determination of the department of local government finance under subsection ~~(f)~~ (i):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department:
 - (A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or
 - (B) fails to act on the appeal before the department certifies its action under subsection ~~(f)~~ (i);
 a taxpayer who signed the statement filed to initiate the appeal.
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.
- (4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection ~~(f)~~ (i).

~~(h)~~ (k) The department of local government finance is expressly directed to complete the duties assigned to it under this section **as follows:**

- (1) For each budget year before 2019, not later than February 15 of each that budget year, for taxes to be collected during that year:**



(2) For each budget year after 2018, not later than December 31 of the year preceding that budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(3) For each budget year after 2018, not later than January 15 of the budget year if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(i) Subject to the provisions of all applicable statutes, the department of local government finance shall, unless the department finds extenuating circumstances, increase a political subdivision's tax levy to an amount that exceeds the amount originally advertised or adopted by the political subdivision if:

(1) the increase is requested in writing by the officers of the political subdivision;

(2) the requested increase is published on the department's advertising Internet web site and (before January 1, 2015) is published by the political subdivision according to a notice provided by the department; and

(3) notice is given to the county fiscal body of the error and the department's correction.

If the department increases a levy beyond what was advertised or adopted under this subsection, it shall, unless the department finds extenuating circumstances, reduce the certified levy affected below the maximum allowable levy by the lesser of five percent (5%) of the difference between the advertised or adopted levy and the increased levy, or one hundred thousand dollars (\$100,000).

~~(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.~~

SECTION 14. IC 6-1.1-17-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16.7. (a) A political subdivision that in any year adopts a proposal to establish a cumulative fund or sinking fund under any of the following provisions must submit the proposal to the department of local government finance before August 2 of that year, **for years before 2018, and before May 1 of that year, for years after 2017:**



1 IC 3-11-6
 2 IC 8-10-5
 3 IC 8-16-3
 4 IC 8-16-3.1
 5 IC 8-22-3
 6 IC 14-27-6
 7 IC 14-33-21
 8 IC 16-22-5
 9 IC 16-22-8
 10 IC 36-8-14
 11 IC 36-9-4
 12 IC 36-9-14
 13 IC 36-9-14.5
 14 IC 36-9-15
 15 IC 36-9-15.5
 16 IC 36-9-16
 17 IC 36-9-17
 18 IC 36-9-26
 19 IC 36-9-27
 20 IC 36-10-3
 21 IC 36-10-4
 22 IC 36-10-7.5

23 (b) If a proposal described in subsection (a) is not submitted to the
 24 department of local government finance before August 2 of a year, **for**
 25 **years before 2018, and before May 1 of a year, for years after 2017,**
 26 the political subdivision may not levy a tax for the cumulative fund or
 27 sinking fund in the ensuing year.

28 SECTION 15. IC 6-1.1-18-5, AS AMENDED BY P.L.184-2015,
 29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2016]: Sec. 5. (a) If the proper officers of a political
 31 subdivision desire to appropriate more money for a particular year than
 32 the amount prescribed in the budget for that year as finally determined
 33 under this article, they shall give notice of their proposed additional
 34 appropriation. The notice shall state the time and place at which a
 35 public hearing will be held on the proposal. The notice shall be given
 36 once in accordance with IC 5-3-1-2(b).

37 (b) If the additional appropriation by the political subdivision is
 38 made from a fund that receives:

- 39 (1) distributions from the motor vehicle highway account
 40 established under IC 8-14-1-1 or the local road and street account
 41 established under IC 8-14-2-4; or
 42 (2) revenue from property taxes levied under IC 6-1.1;



the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

- (1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the political subdivision; and



(2) state with reasonable specificity the reason for the request.
The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that

~~(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and~~
~~(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.~~

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d), as appropriate.

SECTION 16. IC 6-1.1-18.5-2, AS AMENDED BY P.L.230-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana



nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) The budget agency shall provide the assessed value growth quotient for the ensuing year to civil taxing units, school corporations, and the department of local government finance before July 1 of each year.

SECTION 17. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.13-2013, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9.8. **(a)** For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the ~~lesser of:~~

~~(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town). or~~

~~(2) the excess, if any, of:~~

~~(A) the property taxes imposed by the city, town, or county under the authority of:~~

~~IC 3-11-6-9;~~

~~IC 8-16-3;~~

~~IC 8-16-3.1;~~

~~IC 8-22-3-25;~~

~~IC 14-27-6-48;~~

~~IC 14-33-9-3;~~

~~IC 16-22-8-41;~~

~~IC 16-22-5-2 through IC 16-22-5-15;~~

~~IC 16-23-1-40;~~

~~IC 36-8-14;~~

~~IC 36-9-4-48;~~



1 IC 36-9-14;
 2 IC 36-9-14.5;
 3 IC 36-9-15;
 4 IC 36-9-15.5;
 5 IC 36-9-16;
 6 IC 36-9-16.5;
 7 IC 36-9-17;
 8 IC 36-9-26;
 9 IC 36-9-27-100;
 10 IC 36-10-3-21; or
 11 IC 36-10-4-36;
 12 that are first due and payable during the ensuing calendar year;
 13 over
 14 (B) the property taxes imposed by the city, town, or county
 15 under the authority of the citations listed in clause (A) that
 16 were first due and payable during calendar year 1984.
 17 **(b) Before July 15 of each year, the department of local**
 18 **government finance shall provide to each county, city, and town an**
 19 **estimate of the maximum permissible property tax rate per one**
 20 **hundred dollars (\$100) of assessed valuation that the county, city,**
 21 **or town may impose for the ensuing year under IC 36-9-14.5 (in the**
 22 **case of a county) or IC 36-9-15.5 (in the case of a city or town).**
 23 SECTION 18. IC 6-1.1-18.5-10, AS AMENDED BY P.L.117-2015,
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2016]: Sec. 10. (a) The ad valorem property tax levy limits
 26 imposed by section 3 of this chapter do not apply to ad valorem
 27 property taxes imposed by a civil taxing unit to be used to fund:
 28 (1) community mental health centers under:
 29 (A) IC 12-29-2-1.2, for only those civil taxing units that
 30 authorized financial assistance under IC 12-29-1 before 2002
 31 for a community mental health center as long as the tax levy
 32 under this section does not exceed the levy authorized in 2002;
 33 (B) IC 12-29-2-2 through IC 12-29-2-5; and
 34 (C) IC 12-29-2-13; or
 35 (2) community intellectual disability and other developmental
 36 disabilities centers under IC 12-29-1-1.
 37 to the extent that those property taxes are attributable to any increase
 38 in the assessed value of the civil taxing unit's taxable property caused
 39 by a general reassessment of real property under IC 6-1.1-4-4 or a
 40 reassessment of real property under a reassessment plan prepared under
 41 IC 6-1.1-4-4.2 that took effect after February 28, 1979.
 42 (b) For purposes of computing the ad valorem property tax levy



limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

(d) For a county that:

(1) did not impose an ad valorem property tax levy in 2008 for the county general fund to provide financial assistance under IC 12-29-1 (community intellectual disability and other developmental disabilities center) or IC 12-29-2 (community mental health center); and

(2) determines for 2009 or a later calendar year to impose a levy as described in subdivision (1);

the ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to the part of the county's general fund levy that is used in the first calendar year for which a determination is made under subdivision (2) to provide financial assistance under IC 12-29-1 or IC 12-29-2. The department of local government finance shall review a county's proposed budget that is submitted under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final determination of the amount to which the levy limits do not apply under this subsection for the first calendar year for which a determination is made under subdivision (2):

(e) The ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to the county's general fund levy in the amount determined by the department of local government finance under subsection (d) in each calendar year following the calendar year for which the determination under subsection (b) is made:

(d) Before July 15 of each year, the department of local government finance shall provide to each county an estimate of the maximum amount of property taxes imposed for community mental health centers or community intellectual disability and other developmental disabilities centers that are exempt from the levy limits for the ensuing year.

SECTION 19. IC 6-1.1-18.5-10.1 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 10.1: (a) The ad valorem property tax levy limits



imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a county, city, or town to supplemental juror fees adopted under IC 33-37-10-1, to the extent provided in subsections (b) and (c):

(b) Subject to subsection (c), for purposes of determining the property tax levy limit imposed on a county, city, or town under section 3 of this chapter, the county, city, or town's ad valorem property tax levy for a calendar year does not include an amount equal to:

(1) the average annual expenditures for nonsupplemental juror fees under IC 33-37-10-1, using the five (5) most recent years for which expenditure amounts are available; multiplied by

(2) the percentage increase in juror fees that is attributable to supplemental juror fees under the most recent ordinance adopted under IC 33-37-10-1.

(c) For property taxes first due and payable after December 31, 2008, property taxes may be excluded under subsection (b) from the ad valorem property tax levy limits imposed by section 3 of this chapter only to the extent that:

(1) the county fiscal body adopts a resolution approving some or all of the property taxes that may be excluded by a city or town under subsection (b); in the case of property taxes imposed by a city or town; or

(2) the county fiscal body adopts a resolution:

(A) that approves some or all of the property taxes that may be excluded by the county under subsection (b); and

(B) that explains why the exclusion under subsection (b) is necessary and in the best interest of taxpayers;

in the case of property taxes imposed by the county:

In the case of a city or town located in more than one (1) county, the exclusion under subsection (b) must be approved by the fiscal body of the county in which the greatest part of the city's or town's net assessed valuation is located.

SECTION 20. IC 6-1.1-18.5-19.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19.1. (a) **This subsection does not apply for property taxes first due and payable after December 31, 2016.** The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed on personal property of banks that became subject to assessment in 1989 and thereafter because of IC 6-1.1-2-7.

(b) **This subsection does not apply for property taxes first due and payable after December 31, 2016.** For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this



chapter, a civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed on bank personal property as provided in subsection (a).

(c) For budget year 2017, the department of local government finance shall make a one (1) time permanent adjustment to the ad valorem property tax levy limits imposed by section 3 of this chapter in an amount equal to the excluded levy under subsection (b) for budget year 2016.

(d) This section expires July 1, 2018.

SECTION 21. IC 6-1.1-18.5-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 24. (a) Before July 15 of each year, the department of local government finance shall provide to each taxing unit that levies property taxes an estimate of the maximum permissible property tax levies under section 3 of this chapter that will apply for the ensuing calendar year.

(b) The department's estimates shall, as necessary, provide guidance on calculating allowable adjustment to the maximum permissible property tax levies under section 3 of this chapter.

(c) The department's estimate under this section is not binding for the purposes of budget adoption by a taxing unit.

SECTION 22. IC 6-1.1-20.6-11.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11.1. (a) Before August 1 of each year, the department of local government finance shall provide to each taxing unit that levies property taxes an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced under section 9.5 of this chapter in the ensuing year.

(b) To determine the estimates required by subsection (a), the department of local government finance shall use the best available assessed value data and the levy limitation estimates determined under IC 6-1.1-18.5-24.

(c) The department of local government finance may also require taxing units to provide information on proposed debt issuance, excess levy appeals, and fund establishments occurring in the current year that may affect the tax levies and tax rates for the ensuing year. This information shall be collected in a manner prescribed by the department of local government finance. Taxing units shall provide the requested information to the department of local government finance by the deadline established by the department of local government finance, which may not be later



1 **than June 30 of each year.**

2 SECTION 23. IC 6-1.1-41-4 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. A political
4 subdivision that in any year adopts a proposal under this chapter must
5 submit the proposal to the department of local government finance:

- 6 (1) before August 2 of that year, **for years before 2018; and**
7 (2) **before May 1 of that year, for years after 2017.**

8 SECTION 24. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015,
9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2016]: Sec. 5. (a) Before August 2 of each calendar year
11 **before 2018, and before June 1 of each calendar year after 2017,**
12 the budget agency shall provide to the department of local government
13 finance and the county auditor of each adopting county an estimate of
14 the amount determined under section 4 of this chapter that will be
15 distributed to the county, based on known tax rates. Not later than
16 fifteen (15) days after receiving the estimate of the certified
17 distribution, **for calendar years before 2018, and not later than July**
18 **1 of each year, for calendar years after 2017,** the department of local
19 government finance shall determine for each taxing unit and notify the
20 county auditor of the estimated amount of property tax credits, school
21 distributions, public safety revenue, economic development revenue,
22 certified shares, and special purpose revenue that will be distributed to
23 the taxing unit under this chapter during the ensuing calendar year. Not
24 later than thirty (30) days after receiving the department's estimate, the
25 county auditor shall notify each taxing unit of the amounts estimated
26 for the taxing unit.

27 (b) Before October 1 of each calendar year, the budget agency shall
28 certify to the department of local government finance and the county
29 auditor of each adopting county:

- 30 (1) the amount determined under section 4 of this chapter; and
31 (2) the amount of interest in the county's account that has accrued
32 and has not been included in a certification made in a preceding
33 year.

34 The amount certified is the county's certified distribution for the
35 immediately succeeding calendar year. The amount certified shall be
36 adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not
37 later than fifteen (15) days after receiving the amount of the certified
38 distribution, the department of local government finance shall
39 determine for each taxing unit and notify the county auditor of the
40 certified amount of property tax credits, school distributions, public
41 safety revenue, economic development revenue, certified shares, and
42 special purpose revenue that will be distributed to the taxing unit under



1 this chapter during the ensuing calendar year. Not later than thirty (30)
 2 days after receiving the department's estimate, the county auditor shall
 3 notify each taxing unit of the certified amounts for the taxing unit.

4 SECTION 25. IC 12-29-1-1, AS AMENDED BY P.L.117-2015,
 5 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2016]: Sec. 1. (a) The county executive of a county may
 7 authorize the furnishing of financial assistance to a community
 8 intellectual disability and other developmental disabilities center that
 9 is located or will be located in the county.

10 (b) Assistance authorized under this section shall be used for the
 11 following purposes:

12 (1) Constructing a center.

13 (2) Operating a center.

14 (c) Upon request of the county executive, the county fiscal body
 15 may appropriate annually from the county's general fund the money to
 16 provide financial assistance for the purposes described in subsection
 17 (b). **For property taxes first due and payable before January 1,**
 18 **2017,** the appropriation may not exceed the amount that could be
 19 collected from an annual tax levy of not more than three and
 20 thirty-three hundredths cents (\$0.0333) on each one hundred dollars
 21 (\$100) of taxable property within the county.

22 **(d) For property taxes first due and payable after December 31,**
 23 **2016, the maximum allowable appropriation for the purposes**
 24 **described in subsection (b) is equal to the result of:**

25 **(1) the maximum allowable appropriation by the county for**
 26 **the preceding year; multiplied by**

27 **(2) the assessed value growth quotient determined under**
 28 **IC 6-1.1-18.5-2 for the year.**

29 ~~(d)~~ (e) For purposes of this subsection, "first calendar year" refers
 30 to the first calendar year after 2008 in which the county imposes an ad
 31 valorem property tax levy for the county general fund to provide
 32 financial assistance under this chapter. If a county did not provide
 33 financial assistance under this chapter in 2008, the county for a
 34 following calendar year:

35 (1) may propose a financial assistance budget; and

36 (2) shall refer its proposed financial assistance budget for the first
 37 calendar year to the department of local government finance
 38 before the tax levy is advertised.

39 The ad valorem property tax levy to fund the budget for the first
 40 calendar year is subject to review and approval under IC 6-1.1-18.5-10.

41 SECTION 26. IC 12-29-1-2, AS AMENDED BY P.L.117-2015,
 42 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2016]: Sec. 2. (a) If a community intellectual disability and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes first due and payable before January 1, 2017**, the appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

(c) **For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation by each county for the purposes described in section 1(b) of this chapter is equal to the result of:**

(1) **the maximum allowable appropriation by the county for the preceding year; multiplied by**

(2) **the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year.**

SECTION 27. IC 12-29-1-3, AS AMENDED BY P.L.117-2015, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community intellectual disability and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

(1) The facilities for the center are located in a state adjacent to Indiana.

(2) The center is organized to provide services to Indiana residents.

(b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes first due and payable before January 1, 2017**, the appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

(c) **For property taxes first due and payable after December 31,**



2016, the maximum allowable appropriation by the county for the purposes described in section 1(b) of this chapter is equal to the result of:

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year.

SECTION 28. IC 12-29-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.5. Before July 15, 2016, and before July 15 of each year thereafter, the department of local government finance shall provide to counties an estimate of the maximum allowable appropriation under section 1, 2, or 3 of this chapter (as applicable) for the ensuing year.

SECTION 29. IC 12-29-2-2, AS AMENDED BY P.L.153-2014, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

- (1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.



(2) Except as provided in subsection (c); for 2005 and each year thereafter, the result equal to:

(A) (1) the **maximum** amount that ~~was~~ **could have been** levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year, **as previously determined under this section by using the amount calculated under this section in 2004 as the base amount;** multiplied by

~~(B)~~ (2) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

(c) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which:

(1) a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24; or

(2) a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30;

to provide property tax relief in the county. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's maximum property tax levy under this section to fund the operation of community mental health centers for the ensuing calendar year is equal to the county's maximum property tax levy to fund the operation of community mental health centers for the current calendar year.

(d) Except as provided in subsection (h), the county shall pay to the division of mental health and addiction the part of the funding determined under subsection (b) that is appropriated solely for funding the operations of a community health center. The funding required under this section for operations of a community health center shall be paid by the county to the division of mental health and addiction. These funds shall be used solely for satisfying the non-federal share of medical assistance payments to community mental health centers serving the county for:

(1) allowable administrative services; and

(2) community mental health rehabilitation services.

All other funding appropriated for the purposes allowed under section 1.2(b)(1) of this chapter shall be paid by the county directly to the community mental health center semiannually at the times that the payments are made under subsection (e).

(e) The county shall appropriate and disburse the funds for operations semiannually not later than December 1 and June 1 in an amount equal to the amount determined under subsection (b) and



1 requested in writing by the division of mental health and addiction. The
 2 total funding amount paid to the division of mental health and
 3 addiction for a county for each calendar year may not exceed the
 4 amount that is calculated in subsection (b) and set forth in writing by
 5 the division of mental health and addiction for the county. Funds paid
 6 to the division of mental health and addiction by the county shall be
 7 submitted by the county in a timely manner after receiving the written
 8 request from the division of mental health and addiction, to ensure
 9 current year compliance with the community mental health
 10 rehabilitation program and any administrative requirements of the
 11 program.

12 (f) The division of mental health and addiction shall ensure that the
 13 non-federal share of funding received from a county under this program
 14 is applied only for matching federal funds for the designated
 15 community mental health centers to the extent a center is eligible to
 16 receive county funding under IC 12-21-2-3(5)(D).

17 (g) The division of mental health and addiction:

18 (1) shall first apply state funding to a community mental health
 19 center's non-federal share of funding under this program; and

20 (2) may next apply county funding received under this section to
 21 any remaining non-federal share of funding for the community
 22 mental health center.

23 The division shall distribute any excess state funds that exceed the
 24 community mental health rehabilitation services non-federal share
 25 applied to a community mental health center that is entitled to the
 26 excess state funds.

27 (h) The health and hospital corporation of Marion County created
 28 by IC 16-22-8-6 may make payments to the division for the operation
 29 of a community mental health center as described in this chapter.

30 SECTION 30. IC 36-1.5-4-7, AS AMENDED BY P.L.26-2012,
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2016]: Sec. 7. (a) In the year before the year in which the
 33 participating political subdivisions are reorganized under this chapter:

34 (1) subject to subsection (b), the fiscal bodies of the reorganizing
 35 political subdivisions shall, in the manner provided by
 36 IC 6-1.1-17, adopt tax levies, tax rates, and a budget for the
 37 reorganized political subdivision either through the adoption of
 38 substantially identical resolutions adopted by each of the fiscal
 39 bodies or, if authorized in the plan of reorganization, through a
 40 joint board established under an agreement of the fiscal bodies on
 41 which the members of each of the fiscal bodies are represented;
 42 and



(2) if the reorganized political subdivision will have elected offices and different election districts than any of the reorganizing political subdivisions, the legislative bodies of the reorganizing political subdivisions shall establish the election districts either through the adoption of substantially identical resolutions adopted by each of the legislative bodies or, if authorized in the plan of reorganization, through a joint board established under an agreement of the legislative bodies on which the members of each of the legislative bodies are represented.

(b) This subsection applies to two (2) or more school corporations that participate in a reorganization in which the voters approve a plan of reorganization in a general election and the plan of reorganization provides for the reorganization to become effective for property taxes first due and payable in the immediately following calendar year. The participating school corporations may publish notices, hold public hearings, and take final action for the adoption of property tax levies, property tax rates, and a budget for the reorganized school corporation after the voters approve the plan of reorganization. The alternative schedule must comply with the following:

(1) Each participating school corporation shall give notice by publication to taxpayers of:

- (A) the estimated budget;
- (B) the estimated maximum permissible levy;
- (C) the current and proposed tax levies of each fund; and
- (D) the amounts of excessive levy appeals to be requested;

for the ensuing year. The notice must be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing and with the last publication not later than November 24 of the year the public question is approved by the voters.

(2) Each participating school corporation must conduct a public hearing on the proposed tax levies, tax rates, and budget at least ten (10) days before the date the participating school corporation adopts the proposed tax levies, tax rates, and budget.

(3) The governing body of each participating school corporation must meet to fix the tax levies, tax rates, and budget for the ensuing year before December 6 of the year the public question is approved by the voters.

(4) The county auditor shall certify the adopted property tax levies, property tax rates, and budget for the reorganized school corporation to the department of local government finance before December 8 in the year in which the public question is approved



by the voters.

Subject to subsection (c), the department of local government finance may adjust any other applicable time limit specified in IC 6-1.1-17 to be consistent with this section. ~~However,~~

(c) The department of local government finance is expressly directed to complete the duties assigned to it under IC 6-1.1-17-16 with respect to the submitted property tax levies, property tax rates, and budget **as follows**:

(1) **For each budget year before 2019**, not later than February 15 ~~in the ensuing of that budget year~~.

(2) **For each budget year after 2018, not later than December 31 of the year preceding that budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.**

(3) **For each budget year after 2018, not later than January 15 of the budget year if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.**

~~(c)~~ (d) If a school is converted into a charter school under IC 20-24-11, the charter school must, before December 1 of each year, publish its estimated annual budget for the ensuing year in accordance with IC 5-3-1.

SECTION 31. IC 36-7-14-39, AS AMENDED BY P.L.87-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the



- 1 effective date of the allocation provision.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in a
- 3 declaratory resolution or an amendment to a declaratory
- 4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally
- 6 determined for the assessment date immediately provision of
- 7 the declaratory resolution, as adjusted under subsection (h);
- 8 plus
- 9 (B) to the extent that it is not included in clause (A), the net
- 10 assessed value of property that is assessed as residential
- 11 property under the rules of the department of local government
- 12 finance, as finally determined for any assessment date after the
- 13 effective date of the allocation provision.
- 14 (3) If:
- 15 (A) an allocation provision adopted before June 30, 1995, in
- 16 a declaratory resolution or an amendment to a declaratory
- 17 resolution establishing a redevelopment project area expires
- 18 after June 30, 1997; and
- 19 (B) after June 30, 1997, a new allocation provision is included
- 20 in an amendment to the declaratory resolution;
- 21 the net assessed value of all the property as finally determined for
- 22 the assessment date immediately preceding the effective date of
- 23 the allocation provision adopted after June 30, 1997, as adjusted
- 24 under subsection (h).
- 25 (4) Except as provided in subdivision (5), for all other allocation
- 26 areas, the net assessed value of all the property as finally
- 27 determined for the assessment date immediately preceding the
- 28 effective date of the allocation provision of the declaratory
- 29 resolution, as adjusted under subsection (h).
- 30 (5) If an allocation area established in an economic development
- 31 area before July 1, 1995, is expanded after June 30, 1995, the
- 32 definition in subdivision (1) applies to the expanded part of the
- 33 area added after June 30, 1995.
- 34 (6) If an allocation area established in a redevelopment project
- 35 area before July 1, 1997, is expanded after June 30, 1997, the
- 36 definition in subdivision (2) applies to the expanded part of the
- 37 area added after June 30, 1997.
- 38 Except as provided in section 39.3 of this chapter, "property taxes"
- 39 means taxes imposed under IC 6-1.1 on real property. However, upon
- 40 approval by a resolution of the redevelopment commission adopted
- 41 before June 1, 1987, "property taxes" also includes taxes imposed
- 42 under IC 6-1.1 on depreciable personal property. If a redevelopment



1 commission adopted before June 1, 1987, a resolution to include within
2 the definition of property taxes, taxes imposed under IC 6-1.1 on
3 depreciable personal property that has a useful life in excess of eight
4 (8) years, the commission may by resolution determine the percentage
5 of taxes imposed under IC 6-1.1 on all depreciable personal property
6 that will be included within the definition of property taxes. However,
7 the percentage included must not exceed twenty-five percent (25%) of
8 the taxes imposed under IC 6-1.1 on all depreciable personal property.

9 (b) A declaratory resolution adopted under section 15 of this chapter
10 on or before the allocation deadline determined under subsection (i)
11 may include a provision with respect to the allocation and distribution
12 of property taxes for the purposes and in the manner provided in this
13 section. A declaratory resolution previously adopted may include an
14 allocation provision by the amendment of that declaratory resolution on
15 or before the allocation deadline determined under subsection (i) in
16 accordance with the procedures required for its original adoption. A
17 declaratory resolution or amendment that establishes an allocation
18 provision must include a specific finding of fact, supported by
19 evidence, that the adoption of the allocation provision will result in
20 new property taxes in the area that would not have been generated but
21 for the adoption of the allocation provision. For an allocation area
22 established before July 1, 1995, the expiration date of any allocation
23 provisions for the allocation area is June 30, 2025, or the last date of
24 any obligations that are outstanding on July 1, 2015, whichever is later.
25 A declaratory resolution or an amendment that establishes an allocation
26 provision after June 30, 1995, must specify an expiration date for the
27 allocation provision. For an allocation area established before July 1,
28 2008, the expiration date may not be more than thirty (30) years after
29 the date on which the allocation provision is established. For an
30 allocation area established after June 30, 2008, the expiration date may
31 not be more than twenty-five (25) years after the date on which the first
32 obligation was incurred to pay principal and interest on bonds or lease
33 rentals on leases payable from tax increment revenues. However, with
34 respect to bonds or other obligations that were issued before July 1,
35 2008, if any of the bonds or other obligations that were scheduled when
36 issued to mature before the specified expiration date and that are
37 payable only from allocated tax proceeds with respect to the allocation
38 area remain outstanding as of the expiration date, the allocation
39 provision does not expire until all of the bonds or other obligations are
40 no longer outstanding. The allocation provision may apply to all or part
41 of the redevelopment project area. The allocation provision must
42 require that any property taxes subsequently levied by or for the benefit



1 of any public body entitled to a distribution of property taxes on taxable
 2 property in the allocation area be allocated and distributed as follows:

3 (1) Except as otherwise provided in this section, the proceeds of
 4 the taxes attributable to the lesser of:

5 (A) the assessed value of the property for the assessment date
 6 with respect to which the allocation and distribution is made;

7 or

8 (B) the base assessed value;

9 shall be allocated to and, when collected, paid into the funds of
 10 the respective taxing units.

11 (2) The excess of the proceeds of the property taxes imposed for
 12 the assessment date with respect to which the allocation and
 13 distribution is made that are attributable to taxes imposed after
 14 being approved by the voters in a referendum or local public
 15 question conducted after April 30, 2010, not otherwise included
 16 in subdivision (1) shall be allocated to and, when collected, paid
 17 into the funds of the taxing unit for which the referendum or local
 18 public question was conducted.

19 (3) Except as otherwise provided in this section, property tax
 20 proceeds in excess of those described in subdivisions (1) and (2)
 21 shall be allocated to the redevelopment district and, when
 22 collected, paid into an allocation fund for that allocation area that
 23 may be used by the redevelopment district only to do one (1) or
 24 more of the following:

25 (A) Pay the principal of and interest on any obligations
 26 payable solely from allocated tax proceeds which are incurred
 27 by the redevelopment district for the purpose of financing or
 28 refinancing the redevelopment of that allocation area.

29 (B) Establish, augment, or restore the debt service reserve for
 30 bonds payable solely or in part from allocated tax proceeds in
 31 that allocation area.

32 (C) Pay the principal of and interest on bonds payable from
 33 allocated tax proceeds in that allocation area and from the
 34 special tax levied under section 27 of this chapter.

35 (D) Pay the principal of and interest on bonds issued by the
 36 unit to pay for local public improvements that are physically
 37 located in or physically connected to that allocation area.

38 (E) Pay premiums on the redemption before maturity of bonds
 39 payable solely or in part from allocated tax proceeds in that
 40 allocation area.

41 (F) Make payments on leases payable from allocated tax
 42 proceeds in that allocation area under section 25.2 of this



chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or



serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before ~~July 1~~ **June 15** of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value



of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination



1 or modify the amount of the excess assessed value that will be
2 allocated to the respective taxing units in the manner
3 prescribed in subdivision (1).

4 (c) For the purpose of allocating taxes levied by or for any taxing
5 unit or units, the assessed value of taxable property in a territory in the
6 allocation area that is annexed by any taxing unit after the effective
7 date of the allocation provision of the declaratory resolution is the
8 lesser of:

9 (1) the assessed value of the property for the assessment date with
10 respect to which the allocation and distribution is made; or

11 (2) the base assessed value.

12 (d) Property tax proceeds allocable to the redevelopment district
13 under subsection (b)(3) may, subject to subsection (b)(4), be
14 irrevocably pledged by the redevelopment district for payment as set
15 forth in subsection (b)(3).

16 (e) Notwithstanding any other law, each assessor shall, upon
17 petition of the redevelopment commission, reassess the taxable
18 property situated upon or in, or added to, the allocation area, effective
19 on the next assessment date after the petition.

20 (f) Notwithstanding any other law, the assessed value of all taxable
21 property in the allocation area, for purposes of tax limitation, property
22 tax replacement, and formulation of the budget, tax rate, and tax levy
23 for each political subdivision in which the property is located is the
24 lesser of:

25 (1) the assessed value of the property as valued without regard to
26 this section; or

27 (2) the base assessed value.

28 (g) If any part of the allocation area is located in an enterprise zone
29 created under IC 5-28-15, the unit that designated the allocation area
30 shall create funds as specified in this subsection. A unit that has
31 obligations, bonds, or leases payable from allocated tax proceeds under
32 subsection (b)(3) shall establish an allocation fund for the purposes
33 specified in subsection (b)(3) and a special zone fund. Such a unit
34 shall, until the end of the enterprise zone phase out period, deposit each
35 year in the special zone fund any amount in the allocation fund derived
36 from property tax proceeds in excess of those described in subsection
37 (b)(1) and (b)(2) from property located in the enterprise zone that
38 exceeds the amount sufficient for the purposes specified in subsection
39 (b)(3) for the year. The amount sufficient for purposes specified in
40 subsection (b)(3) for the year shall be determined based on the pro rata
41 portion of such current property tax proceeds from the part of the
42 enterprise zone that is within the allocation area as compared to all



1 such current property tax proceeds derived from the allocation area. A
 2 unit that has no obligations, bonds, or leases payable from allocated tax
 3 proceeds under subsection (b)(3) shall establish a special zone fund
 4 and deposit all the property tax proceeds in excess of those described
 5 in subsection (b)(1) and (b)(2) in the fund derived from property tax
 6 proceeds in excess of those described in subsection (b)(1) and (b)(2)
 7 from property located in the enterprise zone. The unit that creates the
 8 special zone fund shall use the fund (based on the recommendations of
 9 the urban enterprise association) for programs in job training, job
 10 enrichment, and basic skill development that are designed to benefit
 11 residents and employers in the enterprise zone or other purposes
 12 specified in subsection (b)(3), except that where reference is made in
 13 subsection (b)(3) to allocation area it shall refer for purposes of
 14 payments from the special zone fund only to that part of the allocation
 15 area that is also located in the enterprise zone. Those programs shall
 16 reserve at least one-half (1/2) of their enrollment in any session for
 17 residents of the enterprise zone.

18 (h) The state board of accounts and department of local government
 19 finance shall make the rules and prescribe the forms and procedures
 20 that they consider expedient for the implementation of this chapter.
 21 After each general reassessment of real property in an area under
 22 IC 6-1.1-4-4 and after each reassessment in an area under a
 23 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 24 local government finance shall adjust the base assessed value one (1)
 25 time to neutralize any effect of the reassessment of the real property in
 26 the area on the property tax proceeds allocated to the redevelopment
 27 district under this section. After each annual adjustment under
 28 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 29 the base assessed value one (1) time to neutralize any effect of the
 30 annual adjustment on the property tax proceeds allocated to the
 31 redevelopment district under this section. However, the adjustments
 32 under this subsection:

- 33 (1) may not include the effect of phasing in assessed value due to
- 34 property tax abatements under IC 6-1.1-12.1;
- 35 (2) may not produce less property tax proceeds allocable to the
- 36 redevelopment district under subsection (b)(3) than would
- 37 otherwise have been received if the general reassessment, the
- 38 reassessment under the reassessment plan, or the annual
- 39 adjustment had not occurred; and
- 40 (3) may decrease base assessed value only to the extent that
- 41 assessed values in the allocation area have been decreased due to
- 42 annual adjustments or the reassessment under the reassessment



plan.

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 32. IC 36-7-14-48, AS AMENDED BY P.L.87-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.



(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before January 1, 2009, providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) (before its repeal) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before its repeal) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal) that under



IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before ~~July 1~~ **June 15** of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 39(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 39(b)(3) of this chapter;



- 1 (C) pay the amount necessary for other purposes described in
 2 section 39(b)(3) of this chapter; and
 3 (D) reimburse the county or municipality for anticipated
 4 expenditures described in subsection (e)(2).
 5 (2) Provide a written notice to the county auditor, the fiscal body
 6 of the county or municipality that established the department of
 7 redevelopment, the officers who are authorized to fix budgets, tax
 8 rates, and tax levies under IC 6-1.1-17-5 for each of the other
 9 taxing units that is wholly or partly located within the allocation
 10 area, and (in an electronic format) the department of local
 11 government finance. The notice must:
 12 (A) state the amount, if any, of excess property taxes that the
 13 commission has determined may be paid to the respective
 14 taxing units in the manner prescribed in section 39(b)(1) of
 15 this chapter; or
 16 (B) state that the commission has determined that there is no
 17 excess assessed value that may be allocated to the respective
 18 taxing units in the manner prescribed in subdivision (1).
 19 The county auditor shall allocate to the respective taxing units the
 20 amount, if any, of excess assessed value determined by the
 21 commission.
 22 (3) If:
 23 (A) the amount of excess assessed value determined by the
 24 commission is expected to generate more than two hundred
 25 percent (200%) of the amount of allocated tax proceeds
 26 necessary to make, when due, principal and interest payments
 27 on bonds described in subdivision (1); plus
 28 (B) the amount necessary for other purposes described in
 29 subdivision (1);
 30 the commission shall submit to the legislative body of the unit its
 31 determination of the excess assessed value that the commission
 32 proposes to allocate to the respective taxing units in the manner
 33 prescribed in subdivision (2). The legislative body of the unit may
 34 approve the commission's determination or modify the amount of
 35 the excess assessed value that will be allocated to the respective
 36 taxing units in the manner prescribed in subdivision (2).
 37 (g) This subsection applies to an allocation area only to the extent
 38 that the net assessed value of property that is assessed as residential
 39 property under the rules of the department of local government finance
 40 is not included in the base assessed value. If property tax installments
 41 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in
 42 installments established by the department of local government finance



1 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 2 allocation area is entitled to an additional credit under subsection (d)
 3 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
 4 installments. The credit shall be applied in the same proportion to each
 5 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

6 SECTION 33. IC 36-7-14-52, AS AMENDED BY P.L.87-2015,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 52. (a) Notwithstanding section 39(a) of this
 9 chapter, with respect to the allocation and distribution of property taxes
 10 for the accomplishment of the purposes of an age-restricted housing
 11 program adopted under section 49 of this chapter, "base assessed
 12 value" means the net assessed value of all of the property, other than
 13 personal property, as finally determined for the assessment date
 14 immediately preceding the effective date of the allocation provision, as
 15 adjusted under section 39(h) of this chapter.

16 (b) The allocation fund established under section 39(b) of this
 17 chapter for the allocation area for an age-restricted housing program
 18 adopted under section 49 of this chapter may be used only for purposes
 19 related to the accomplishment of the purposes of the program,
 20 including, but not limited to, the following:

21 (1) The construction of any infrastructure (including streets,
 22 sidewalks, and sewers) or local public improvements in, serving,
 23 or benefiting the allocation area.

24 (2) The acquisition of real property and interests in real property
 25 within the allocation area.

26 (3) The preparation of real property in anticipation of
 27 development of the real property within the allocation area.

28 (4) To do any of the following:

29 (A) Pay the principal of and interest on bonds or any other
 30 obligations payable from allocated tax proceeds in the
 31 allocation area that are incurred by the redevelopment district
 32 for the purpose of financing or refinancing the age-restricted
 33 housing program established under section 49 of this chapter
 34 for the allocation area.

35 (B) Establish, augment, or restore the debt service reserve for
 36 bonds payable solely or in part from allocated tax proceeds in
 37 the allocation area.

38 (C) Pay the principal of and interest on bonds payable from
 39 allocated tax proceeds in the allocation area and from the
 40 special tax levied under section 27 of this chapter.

41 (D) Pay the principal of and interest on bonds issued by the
 42 unit to pay for local public improvements that are physically



- 1 located in or physically connected to the allocation area.
- 2 (E) Pay premiums on the redemption before maturity of bonds
- 3 payable solely or in part from allocated tax proceeds in the
- 4 allocation area.
- 5 (F) Make payments on leases payable from allocated tax
- 6 proceeds in the allocation area under section 25.2 of this
- 7 chapter.
- 8 (G) Reimburse the unit for expenditures made by the unit for
- 9 local public improvements (which include buildings, parking
- 10 facilities, and other items described in section 25.1(a) of this
- 11 chapter) that are physically located in or physically connected
- 12 to the allocation area.
- 13 (c) Notwithstanding section 39(b) of this chapter, the commission
- 14 shall, relative to the allocation fund established under section 39(b) of
- 15 this chapter for an allocation area for an age-restricted housing program
- 16 adopted under section 49 of this chapter, do the following before ~~July~~
- 17 **± June 15** of each year:
- 18 (1) Determine the amount, if any, by which the assessed value of
- 19 the taxable property in the allocation area for the most recent
- 20 assessment date minus the base assessed value, when multiplied
- 21 by the estimated tax rate of the allocation area, will exceed the
- 22 amount of assessed value needed to produce the property taxes
- 23 necessary to:
- 24 (A) make the distribution required under section 39(b)(2) of
- 25 this chapter;
- 26 (B) make, when due, principal and interest payments on bonds
- 27 described in section 39(b)(3) of this chapter;
- 28 (C) pay the amount necessary for other purposes described in
- 29 section 39(b)(3) of this chapter; and
- 30 (D) reimburse the county or municipality for anticipated
- 31 expenditures described in subsection (b)(2).
- 32 (2) Provide a written notice to the county auditor, the fiscal body
- 33 of the county or municipality that established the department of
- 34 redevelopment, the officers who are authorized to fix budgets, tax
- 35 rates, and tax levies under IC 6-1.1-17-5 for each of the other
- 36 taxing units that is wholly or partly located within the allocation
- 37 area, and (in an electronic format) the department of local
- 38 government finance. The notice must:
- 39 (A) state the amount, if any, of excess property taxes that the
- 40 commission has determined may be paid to the respective
- 41 taxing units in the manner prescribed in section 39(b)(1) of
- 42 this chapter; or



- 1 (B) state that the commission has determined that there is no
 2 excess assessed value that may be allocated to the respective
 3 taxing units in the manner prescribed in subdivision (1).
 4 The county auditor shall allocate to the respective taxing units the
 5 amount, if any, of excess assessed value determined by the
 6 commission.
- 7 SECTION 34. IC 36-7-15.1-26, AS AMENDED BY P.L.87-2015,
 8 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 26. (a) As used in this section:
 10 "Allocation area" means that part of a redevelopment project area
 11 to which an allocation provision of a resolution adopted under section
 12 8 of this chapter refers for purposes of distribution and allocation of
 13 property taxes.
 14 "Base assessed value" means the following:
 15 (1) If an allocation provision is adopted after June 30, 1995, in a
 16 declaratory resolution or an amendment to a declaratory
 17 resolution establishing an economic development area:
 18 (A) the net assessed value of all the property as finally
 19 determined for the assessment date immediately preceding the
 20 effective date of the allocation provision of the declaratory
 21 resolution, as adjusted under subsection (h); plus
 22 (B) to the extent that it is not included in clause (A), the net
 23 assessed value of property that is assessed as residential
 24 property under the rules of the department of local government
 25 finance, as finally determined for any assessment date after the
 26 effective date of the allocation provision.
 27 (2) If an allocation provision is adopted after June 30, 1997, in a
 28 declaratory resolution or an amendment to a declaratory
 29 resolution establishing a redevelopment project area:
 30 (A) the net assessed value of all the property as finally
 31 determined for the assessment date immediately preceding the
 32 effective date of the allocation provision of the declaratory
 33 resolution, as adjusted under subsection (h); plus
 34 (B) to the extent that it is not included in clause (A), the net
 35 assessed value of property that is assessed as residential
 36 property under the rules of the department of local government
 37 finance, as finally determined for any assessment date after the
 38 effective date of the allocation provision.
 39 (3) If:
 40 (A) an allocation provision adopted before June 30, 1995, in
 41 a declaratory resolution or an amendment to a declaratory
 42 resolution establishing a redevelopment project area expires



- 1 after June 30, 1997; and
 2 (B) after June 30, 1997, a new allocation provision is included
 3 in an amendment to the declaratory resolution;
 4 the net assessed value of all the property as finally determined for
 5 the assessment date immediately preceding the effective date of
 6 the allocation provision adopted after June 30, 1997, as adjusted
 7 under subsection (h).
 8 (4) Except as provided in subdivision (5), for all other allocation
 9 areas, the net assessed value of all the property as finally
 10 determined for the assessment date immediately preceding the
 11 effective date of the allocation provision of the declaratory
 12 resolution, as adjusted under subsection (h).
 13 (5) If an allocation area established in an economic development
 14 area before July 1, 1995, is expanded after June 30, 1995, the
 15 definition in subdivision (1) applies to the expanded part of the
 16 area added after June 30, 1995.
 17 (6) If an allocation area established in a redevelopment project
 18 area before July 1, 1997, is expanded after June 30, 1997, the
 19 definition in subdivision (2) applies to the expanded part of the
 20 area added after June 30, 1997.
 21 Except as provided in section 26.2 of this chapter, "property taxes"
 22 means taxes imposed under IC 6-1.1 on real property. However, upon
 23 approval by a resolution of the redevelopment commission adopted
 24 before June 1, 1987, "property taxes" also includes taxes imposed
 25 under IC 6-1.1 on depreciable personal property. If a redevelopment
 26 commission adopted before June 1, 1987, a resolution to include within
 27 the definition of property taxes, taxes imposed under IC 6-1.1 on
 28 depreciable personal property that has a useful life in excess of eight
 29 (8) years, the commission may by resolution determine the percentage
 30 of taxes imposed under IC 6-1.1 on all depreciable personal property
 31 that will be included within the definition of property taxes. However,
 32 the percentage included must not exceed twenty-five percent (25%) of
 33 the taxes imposed under IC 6-1.1 on all depreciable personal property.
 34 (b) A resolution adopted under section 8 of this chapter on or before
 35 the allocation deadline determined under subsection (i) may include a
 36 provision with respect to the allocation and distribution of property
 37 taxes for the purposes and in the manner provided in this section. A
 38 resolution previously adopted may include an allocation provision by
 39 the amendment of that resolution on or before the allocation deadline
 40 determined under subsection (i) in accordance with the procedures
 41 required for its original adoption. A declaratory resolution or
 42 amendment that establishes an allocation provision must include a



specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. However, an expiration date imposed by this subsection does not apply to an allocation area identified as the Consolidated Allocation Area in the report submitted in 2013 to the fiscal body under section 36.3 of this chapter. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public



question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and



(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(K) Expend money and provide financial assistance as authorized in section 7(a)(21) of this chapter.

The special fund may not be used for operating expenses of the commission.

(4) Before ~~July~~ **June 15** of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in



subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance.

The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3) and subsection (g);

the commission shall submit to the legislative body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with



1 respect to which the allocation and distribution is made; or

2 (2) the base assessed value.

3 (d) Property tax proceeds allocable to the redevelopment district
4 under subsection (b)(3) may, subject to subsection (b)(4), be
5 irrevocably pledged by the redevelopment district for payment as set
6 forth in subsection (b)(3).

7 (e) Notwithstanding any other law, each assessor shall, upon
8 petition of the commission, reassess the taxable property situated upon
9 or in, or added to, the allocation area, effective on the next assessment
10 date after the petition.

11 (f) Notwithstanding any other law, the assessed value of all taxable
12 property in the allocation area, for purposes of tax limitation, property
13 tax replacement, and formulation of the budget, tax rate, and tax levy
14 for each political subdivision in which the property is located is the
15 lesser of:

16 (1) the assessed value of the property as valued without regard to
17 this section; or

18 (2) the base assessed value.

19 (g) If any part of the allocation area is located in an enterprise zone
20 created under IC 5-28-15, the unit that designated the allocation area
21 shall create funds as specified in this subsection. A unit that has
22 obligations, bonds, or leases payable from allocated tax proceeds under
23 subsection (b)(3) shall establish an allocation fund for the purposes
24 specified in subsection (b)(3) and a special zone fund. Such a unit
25 shall, until the end of the enterprise zone phase out period, deposit each
26 year in the special zone fund the amount in the allocation fund derived
27 from property tax proceeds in excess of those described in subsection
28 (b)(1) and (b)(2) from property located in the enterprise zone that
29 exceeds the amount sufficient for the purposes specified in subsection
30 (b)(3) for the year. A unit that has no obligations, bonds, or leases
31 payable from allocated tax proceeds under subsection (b)(3) shall
32 establish a special zone fund and deposit all the property tax proceeds
33 in excess of those described in subsection (b)(1) and (b)(2) in the fund
34 derived from property tax proceeds in excess of those described in
35 subsection (b)(1) and (b)(2) from property located in the enterprise
36 zone. The unit that creates the special zone fund shall use the fund,
37 based on the recommendations of the urban enterprise association, for
38 one (1) or more of the following purposes:

39 (1) To pay for programs in job training, job enrichment, and basic
40 skill development designed to benefit residents and employers in
41 the enterprise zone. The programs must reserve at least one-half
42 (1/2) of the enrollment in any session for residents of the



enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31,



2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 35. IC 36-7-15.1-35, AS AMENDED BY P.L.87-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before 2009, to provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d).

However, this credit may be provided by the commission only if



the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9 are due and payable in a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from



the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before ~~July~~ **June 15** of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 26(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and

(D) reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(A) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; or



(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its repeal)) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2 (before its repeal)) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)).

SECTION 36. IC 36-7-15.1-53, AS AMENDED BY P.L.87-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this



1 section. A resolution previously adopted may include an allocation
 2 provision by the amendment of that resolution on or before the
 3 allocation deadline determined under subsection (i) in accordance with
 4 the procedures required for its original adoption. A declaratory
 5 resolution or an amendment that establishes an allocation provision
 6 must be approved by resolution of the legislative body of the excluded
 7 city and must specify an expiration date for the allocation provision.
 8 For an allocation area established before July 1, 2008, the expiration
 9 date may not be more than thirty (30) years after the date on which the
 10 allocation provision is established. For an allocation area established
 11 after June 30, 2008, the expiration date may not be more than
 12 twenty-five (25) years after the date on which the first obligation was
 13 incurred to pay principal and interest on bonds or lease rentals on
 14 leases payable from tax increment revenues. However, with respect to
 15 bonds or other obligations that were issued before July 1, 2008, if any
 16 of the bonds or other obligations that were scheduled when issued to
 17 mature before the specified expiration date and that are payable only
 18 from allocated tax proceeds with respect to the allocation area remain
 19 outstanding as of the expiration date, the allocation provision does not
 20 expire until all of the bonds or other obligations are no longer
 21 outstanding. The allocation provision may apply to all or part of the
 22 redevelopment project area. The allocation provision must require that
 23 any property taxes subsequently levied by or for the benefit of any
 24 public body entitled to a distribution of property taxes on taxable
 25 property in the allocation area be allocated and distributed as follows:

26 (1) Except as otherwise provided in this section, the proceeds of
 27 the taxes attributable to the lesser of:

28 (A) the assessed value of the property for the assessment date
 29 with respect to which the allocation and distribution is made;
 30 or

31 (B) the base assessed value;

32 shall be allocated to and, when collected, paid into the funds of
 33 the respective taxing units.

34 (2) The excess of the proceeds of the property taxes imposed for
 35 the assessment date with respect to which the allocation and
 36 distribution is made that are attributable to taxes imposed after
 37 being approved by the voters in a referendum or local public
 38 question conducted after April 30, 2010, not otherwise included
 39 in subdivision (1) shall be allocated to and, when collected, paid
 40 into the funds of the taxing unit for which the referendum or local
 41 public question was conducted.

42 (3) Except as otherwise provided in this section, property tax



proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the



allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(4) Before ~~July~~ **June 15** of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:



- 1 (1) the assessed value of the property for the assessment date with
 2 respect to which the allocation and distribution is made; or
 3 (2) the base assessed value.

4 (d) Property tax proceeds allocable to the redevelopment district
 5 under subsection (b)(3) may, subject to subsection (b)(4), be
 6 irrevocably pledged by the redevelopment district for payment as set
 7 forth in subsection (b)(3).

8 (e) Notwithstanding any other law, each assessor shall, upon
 9 petition of the commission, reassess the taxable property situated upon
 10 or in, or added to, the allocation area, effective on the next assessment
 11 date after the petition.

12 (f) Notwithstanding any other law, the assessed value of all taxable
 13 property in the allocation area, for purposes of tax limitation, property
 14 tax replacement, and formulation of the budget, tax rate, and tax levy
 15 for each political subdivision in which the property is located, is the
 16 lesser of:

- 17 (1) the assessed value of the property as valued without regard to
 18 this section; or
 19 (2) the base assessed value.

20 (g) If any part of the allocation area is located in an enterprise zone
 21 created under IC 5-28-15, the unit that designated the allocation area
 22 shall create funds as specified in this subsection. A unit that has
 23 obligations, bonds, or leases payable from allocated tax proceeds under
 24 subsection (b)(3) shall establish an allocation fund for the purposes
 25 specified in subsection (b)(3) and a special zone fund. Such a unit
 26 shall, until the end of the enterprise zone phase out period, deposit each
 27 year in the special zone fund the amount in the allocation fund derived
 28 from property tax proceeds in excess of those described in subsection
 29 (b)(1) and (b)(2) from property located in the enterprise zone that
 30 exceeds the amount sufficient for the purposes specified in subsection
 31 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 32 payable from allocated tax proceeds under subsection (b)(3) shall
 33 establish a special zone fund and deposit all the property tax proceeds
 34 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 35 derived from property tax proceeds in excess of those described in
 36 subsection (b)(1) and (b)(2) from property located in the enterprise
 37 zone. The unit that creates the special zone fund shall use the fund,
 38 based on the recommendations of the urban enterprise association, for
 39 one (1) or more of the following purposes:

- 40 (1) To pay for programs in job training, job enrichment, and basic
 41 skill development designed to benefit residents and employers in
 42 the enterprise zone. The programs must reserve at least one-half



(1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 or reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the county's reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines



subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 37. IC 36-7-15.1-62, AS AMENDED BY P.L.87-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 62. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 59 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter.

(b) The allocation fund established under section 26(b) of this chapter for the allocation area for an age-restricted housing program adopted under section 59 of this chapter may be used only for purposes related to the accomplishment of the purposes of the program, including, but not limited to, the following:

(1) The construction of any infrastructure (including streets, sidewalks, and sewers) or local public improvements in, serving, or benefiting the allocation area.

(2) The acquisition of real property and interests in real property within the allocation area.

(3) The preparation of real property in anticipation of development of the real property within the allocation area.

(4) To do any of the following:

(A) Pay the principal of and interest on bonds or any other obligations payable from allocated tax proceeds in the allocation area that are incurred by the redevelopment district for the purpose of financing or refinancing the age-restricted housing program established under section 59 of this chapter for the allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in the allocation area.

(C) Pay the principal of and interest on bonds payable from



- 1 allocated tax proceeds in the allocation area and from the
 2 special tax levied under section 19 of this chapter.
- 3 (D) Pay the principal of and interest on bonds issued by the
 4 unit to pay for local public improvements that are physically
 5 located in or physically connected to the allocation area.
- 6 (E) Pay premiums on the redemption before maturity of bonds
 7 payable solely or in part from allocated tax proceeds in the
 8 allocation area.
- 9 (F) Make payments on leases payable from allocated tax
 10 proceeds in the allocation area under section 17.1 of this
 11 chapter.
- 12 (G) Reimburse the unit for expenditures made by the unit for
 13 local public improvements (which include buildings, parking
 14 facilities, and other items described in section 17(a) of this
 15 chapter) that are physically located in or physically connected
 16 to the allocation area.
- 17 (c) Notwithstanding section 26(b) of this chapter, the commission
 18 shall, relative to the allocation fund established under section 26(b) of
 19 this chapter for an allocation area for an age-restricted housing program
 20 adopted under section 59 of this chapter, do the following before ~~July~~
 21 **† June 15** of each year:
- 22 (1) Determine the amount, if any, by which the assessed value of
 23 the taxable property in the allocation area for the most recent
 24 assessment date minus the base assessed value, when multiplied
 25 by the estimated tax rate of the allocation area, will exceed the
 26 amount of assessed value needed to produce the property taxes
 27 necessary to:
- 28 (A) make the distribution required under section 26(b)(2) of
 29 this chapter;
- 30 (B) make, when due, principal and interest payments on bonds
 31 described in section 26(b)(3) of this chapter;
- 32 (C) pay the amount necessary for other purposes described in
 33 section 26(b)(3) of this chapter; and
- 34 (D) reimburse the county or municipality for anticipated
 35 expenditures described in subsection (b)(2).
- 36 (2) Provide a written notice to the county auditor, the fiscal body
 37 of the county or municipality that established the department of
 38 redevelopment, the officers who are authorized to fix budgets, tax
 39 rates, and tax levies under IC 6-1.1-17-5 for each of the other
 40 taxing units that is wholly or partly located within the allocation
 41 area, and (in an electronic format) the department of local
 42 government finance. The notice must:



1 (A) state the amount, if any, of excess property taxes that the
2 commission has determined may be paid to the respective
3 taxing units in the manner prescribed in section 26(b)(1) of
4 this chapter; or
5 (B) state that the commission has determined that there is no
6 excess assessed value that may be allocated to the respective
7 taxing units in the manner prescribed in subdivision (1).
8 The county auditor shall allocate to the respective taxing units the
9 amount, if any, of excess assessed value determined by the
10 commission.
11 **SECTION 38. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 321, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 6, line 41, after "year" delete "before" and insert ",".

Page 6, line 42, delete "2018 and on or before July 1 of each year after 2017,".

Page 8, line 36, after "accounts." insert **"In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimate by the department of local government finance under IC 6-1.1-20.6-11.1 of the amount by which the political subdivision's distribution of property taxes will be reduced by credits under IC 6-1.1-20.6-9.5 in the ensuing year, and after taking into account the estimate by the department of local government finance under section 0.7 of this chapter of the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year."**

and when so amended that said bill do pass.

(Reference is to SB 321 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 321 be amended to read as follows:

Page 31, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 25. IC 12-29-1-1, AS AMENDED BY P.L.117-2015, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to a community intellectual disability and other developmental disabilities center that is located or will be located in the county.

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(b) Assistance authorized under this section shall be used for the following purposes:

- (1) Constructing a center.
- (2) Operating a center.

(c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). **For property taxes first due and payable before January 1, 2017**, the appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

(d) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation for the purposes described in subsection (b) is equal to the result of:

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by**
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year.**

~~(d)~~ (e) For purposes of this subsection, "first calendar year" refers to the first calendar year after 2008 in which the county imposes an ad valorem property tax levy for the county general fund to provide financial assistance under this chapter. If a county did not provide financial assistance under this chapter in 2008, the county for a following calendar year:

- (1) may propose a financial assistance budget; and
- (2) shall refer its proposed financial assistance budget for the first calendar year to the department of local government finance before the tax levy is advertised.

The ad valorem property tax levy to fund the budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.

SECTION 26. IC 12-29-1-2, AS AMENDED BY P.L.117-2015, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) If a community intellectual disability and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes**



first due and payable before January 1, 2017, the appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

(c) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation by each county for the purposes described in section 1(b) of this chapter is equal to the result of:

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by**
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year.**

SECTION 27. IC 12-29-1-3, AS AMENDED BY P.L.117-2015, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community intellectual disability and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

- (1) The facilities for the center are located in a state adjacent to Indiana.
- (2) The center is organized to provide services to Indiana residents.

(b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes first due and payable before January 1, 2017**, the appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

(c) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation by the county for the purposes described in section 1(b) of this chapter is equal to the result of:

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by**
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year."**

Delete page 32.

Page 33, delete lines 1 through 5.



Page 33, delete lines 13 through 42, begin a new paragraph and insert:

"SECTION 29. IC 12-29-2-2, AS AMENDED BY P.L.153-2014, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is ~~the following:~~

~~(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:~~

~~STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002:~~

~~STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2:~~

~~STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2:~~

~~(2) Except as provided in subsection (c), for 2005 and each year thereafter, the result equal to:~~

~~(A) (1) the maximum amount that was could have been levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year, as previously determined under this section by using the amount calculated under this section in 2004 as the base amount; multiplied by~~

~~(B) (2) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.~~

(c) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a



county for which:

- (1) a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24; or
- (2) a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30;

to provide property tax relief in the county. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's maximum property tax levy under this section to fund the operation of community mental health centers for the ensuing calendar year is equal to the county's maximum property tax levy to fund the operation of community mental health centers for the current calendar year.

(d) Except as provided in subsection (h), the county shall pay to the division of mental health and addiction the part of the funding determined under subsection (b) that is appropriated solely for funding the operations of a community health center. The funding required under this section for operations of a community health center shall be paid by the county to the division of mental health and addiction. These funds shall be used solely for satisfying the non-federal share of medical assistance payments to community mental health centers serving the county for:

- (1) allowable administrative services; and
- (2) community mental health rehabilitation services.

All other funding appropriated for the purposes allowed under section 1.2(b)(1) of this chapter shall be paid by the county directly to the community mental health center semiannually at the times that the payments are made under subsection (e).

(e) The county shall appropriate and disburse the funds for operations semiannually not later than December 1 and June 1 in an amount equal to the amount determined under subsection (b) and requested in writing by the division of mental health and addiction. The total funding amount paid to the division of mental health and addiction for a county for each calendar year may not exceed the amount that is calculated in subsection (b) and set forth in writing by the division of mental health and addiction for the county. Funds paid to the division of mental health and addiction by the county shall be submitted by the county in a timely manner after receiving the written request from the division of mental health and addiction, to ensure current year compliance with the community mental health rehabilitation program and any administrative requirements of the program.

(f) The division of mental health and addiction shall ensure that the



non-federal share of funding received from a county under this program is applied only for matching federal funds for the designated community mental health centers to the extent a center is eligible to receive county funding under IC 12-21-2-3(5)(D).

(g) The division of mental health and addiction:

- (1) shall first apply state funding to a community mental health center's non-federal share of funding under this program; and
- (2) may next apply county funding received under this section to any remaining non-federal share of funding for the community mental health center.

The division shall distribute any excess state funds that exceed the community mental health rehabilitation services non-federal share applied to a community mental health center that is entitled to the excess state funds.

(h) The health and hospital corporation of Marion County created by IC 16-22-8-6 may make payments to the division for the operation of a community mental health center as described in this chapter."

Delete page 34.

Page 35, delete lines 1 through 25.

Page 37, after line 19, begin a new paragraph and insert:

"SECTION 31. IC 36-7-14-39, AS AMENDED BY P.L.87-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

- (1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:
 - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
 - (B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.
- (2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory



resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight



(8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of



the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking



facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.



(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before ~~July 1~~ **June 15** of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will



exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

- (i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus
- (ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).



(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund



and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

- (1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;
- (2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and
- (3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed



value of an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
 - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
 - (B) specifically designates a particular date as the final allocation deadline.

SECTION 32. IC 36-7-14-48, AS AMENDED BY P.L.87-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those



individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before January 1, 2009, providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) (before its repeal) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by
- (B) the amount determined under STEP ONE.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before its repeal) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:



(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before ~~July~~ **June 15** of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 39(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 39(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 39(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated



expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(3) If:

(A) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (1); plus

(B) the amount necessary for other purposes described in subdivision (1);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (2). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (2).

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-12-37) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in



installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

SECTION 33. IC 36-7-14-52, AS AMENDED BY P.L.87-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 52. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 49 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for an age-restricted housing program adopted under section 49 of this chapter may be used only for purposes related to the accomplishment of the purposes of the program, including, but not limited to, the following:

- (1) The construction of any infrastructure (including streets, sidewalks, and sewers) or local public improvements in, serving, or benefiting the allocation area.
- (2) The acquisition of real property and interests in real property within the allocation area.
- (3) The preparation of real property in anticipation of development of the real property within the allocation area.
- (4) To do any of the following:
 - (A) Pay the principal of and interest on bonds or any other obligations payable from allocated tax proceeds in the allocation area that are incurred by the redevelopment district for the purpose of financing or refinancing the age-restricted housing program established under section 49 of this chapter for the allocation area.
 - (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in the allocation area.
 - (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in the allocation area and from the special tax levied under section 27 of this chapter.
 - (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to the allocation area.
 - (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in the



allocation area.

(F) Make payments on leases payable from allocated tax proceeds in the allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by the unit for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to the allocation area.

(c) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 49 of this chapter, do the following before ~~July~~ **† June 15** of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 39(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 39(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 39(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (b)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).



The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

SECTION 34. IC 36-7-15.1-26, AS AMENDED BY P.L.87-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;



the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation



provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. However, an expiration date imposed by this subsection does not apply to an allocation area identified as the Consolidated Allocation Area in the report submitted in 2013 to the fiscal body under section 36.3 of this chapter. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local



public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.



However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(K) Expend money and provide financial assistance as authorized in section 7(a)(21) of this chapter.

The special fund may not be used for operating expenses of the commission.

(4) Before ~~July 1~~ **June 15** of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are



authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance.

The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

(C) If:

- (i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus
- (ii) the amount necessary for other purposes described in subdivision (3) and subsection (g);

the commission shall submit to the legislative body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
 - (2) the base assessed value.
- (d) Property tax proceeds allocable to the redevelopment district



under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment



for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

- (A) Businesses operating in the enterprise zone.
- (B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.
- (3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact



a law that:

- (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
- (B) specifically designates a particular date as the final allocation deadline.

SECTION 35. IC 36-7-15.1-35, AS AMENDED BY P.L.87-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.
- (6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).
- (7) For property taxes first due and payable before 2009, to provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.



(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9 are due and payable in a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the



commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

- (1) Accomplish one (1) or more of the actions set forth in section 26(b)(3)(A) through 26(b)(3)(H) of this chapter.
- (2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before ~~July 1~~ **June 15** of each year:

- (1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:
 - (A) make the distribution required under section 26(b)(2) of this chapter;
 - (B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;
 - (C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and
 - (D) reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).
- (2) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:
 - (A) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; or
 - (B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of



this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its repeal)) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2 (before its repeal)) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)).

SECTION 36. IC 36-7-15.1-53, AS AMENDED BY P.L.87-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with



the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may



be used by the redevelopment district only to do one (1) or more of the following:

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.
- (G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.
- (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
- (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
 - (i) in the allocation area; and
 - (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three



(3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(4) Before ~~July~~ **June 15** of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.



(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating



business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 or reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the county's reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline



determined under subdivision (2), the general assembly may enact a law that:

- (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
- (B) specifically designates a particular date as the final allocation deadline.

SECTION 37. IC 36-7-15.1-62, AS AMENDED BY P.L.87-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 62. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 59 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter.

(b) The allocation fund established under section 26(b) of this chapter for the allocation area for an age-restricted housing program adopted under section 59 of this chapter may be used only for purposes related to the accomplishment of the purposes of the program, including, but not limited to, the following:

- (1) The construction of any infrastructure (including streets, sidewalks, and sewers) or local public improvements in, serving, or benefiting the allocation area.
- (2) The acquisition of real property and interests in real property within the allocation area.
- (3) The preparation of real property in anticipation of development of the real property within the allocation area.
- (4) To do any of the following:
 - (A) Pay the principal of and interest on bonds or any other obligations payable from allocated tax proceeds in the allocation area that are incurred by the redevelopment district for the purpose of financing or refinancing the age-restricted housing program established under section 59 of this chapter for the allocation area.
 - (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in the allocation area.
 - (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in the allocation area and from the special tax levied under section 19 of this chapter.
 - (D) Pay the principal of and interest on bonds issued by the



unit to pay for local public improvements that are physically located in or physically connected to the allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in the allocation area.

(F) Make payments on leases payable from allocated tax proceeds in the allocation area under section 17.1 of this chapter.

(G) Reimburse the unit for expenditures made by the unit for local public improvements (which include buildings, parking facilities, and other items described in section 17(a) of this chapter) that are physically located in or physically connected to the allocation area.

(c) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the allocation fund established under section 26(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 59 of this chapter, do the following before ~~July~~ **June 15** of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 26(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (b)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of



this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

SECTION 38. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to SB 321 as printed January 22, 2016.)

MILLER PETE

